

MEMO

DATE: April 3, 2003

TO: The Community Economic and Human Development Committee (CEHD)

FROM: Alfredo B. Gonzalez, Senior Government Affairs Officer
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SUBJECT: Regional Housing Needs Assessment Reimbursement Update

RECOMMENDED ACTION: Information Only

BACKGROUND:

At its February 7th 2003 meeting, the Regional Council directed staff to initiate a legislative and administrative effort to seek full funding for the work that will be performed on the upcoming Regional Housing Needs Assessment (RHNA). The following memorandum provides Committee members with an update on the efforts that are being undertaken to ensure full SCAG reimbursement.

SUMMARY:

SCAG legislative staff is currently in discussions with Senate Housing and Community Development staff on funding the RHNA. These discussions relate specifically to developing and proposal that would include funding for the mandate in the 2003-2004 State Budget. Although we have been assured a strong commitment from Senate committee staff, they have requested that SCAG leadership assist them in their efforts.

As part of our advocacy strategy, SCAG staff recommends coordinating a one-day lobbying visit to Sacramento in April. This advocacy trip will be coordinated by SCAG staff and will be comprised of CEHD members. The objective of the trip will be to urge key legislators in both the Senate and the Assembly to fund the COG portion of the RHNA mandate. Our efforts will also include but not be limited to visiting with key staffers in the Senate Housing and Community Development Committee as well as the budget committees in both houses, the Governor's office and any other administrative offices that may assist in securing the funding. In the coming weeks, SCAG staff will be contacting CEHD members to ascertain their availability in the month of April.

On a related noted note, it is significant to mention that on Thursday March 13, 2003, the Senate Budget and Fiscal Review Committee, Subcommittee #4 held a hearing to discuss several budgetary items including the RHNA reimbursement. At this hearing, the Legislative Analyst's Office (LAO) presented its analysis of the 2003-2004 Budget Bill and recommended that the state suspend the regional housing allocation process until the process is overhauled. According to the LAO, the state should avoid making payments to COGs (estimated at \$2.5 million annually), cities and counties for their part in compliance with the mandate. According to the LAO the program does not justify its cost in the absence of legislative reform.

This LAO recommendation is in opposition to the Governor's 2003-2004 State Budget Proposal, which seeks to defer the cost of reimbursements to local governments. During the deferment local governments are still required to follow statutory requirements.



SCAG expended approximately \$750,000 in performing the 1999/2000 RHNA and anticipates spending approximately \$1,000,000 for the next RHNA (including approximately \$100,000 in FY 02-03).

FISCAL IMPACT:

All work related to adopting the recommended staff action is contained within the adopted FY 02/03 budget and adopted 2003 SCAG Legislative Program and does not require the allocation of any additional financial resources.

A. Gonzalez
Memo to CEHD on RHNA Reimbursement
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